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The Dream of the Mont Pelerin Society

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Just after World War II, classical liberalism reached its lowest ebb. Europe lay in ruins, one-half locked under Soviet domination, the other half drowning in dirigisme. In Britain, a Labor government wielded power, nationalizing basic industries and creating a full-fledged welfare state. In France and Italy, communists and their political allies threatened to take power. In Scandinavia and the Low Countries, welfare states blossomed while free markets withered. Spain and Portugal endured fascist dictatorships.

Germany languished under Allied occupation, with controls choking the revival of its economy and the population struggling to avoid starvation. In the United States, most people had lost their old faith in the free market and gained a new faith in the ability of government to solve economic problems and guarantee social security. Everywhere in the West both masses and elites, especially the intellectuals, plunged waywardly down what Friedrich A. Hayek had just dubbed "the road to serfdom."

Peering into the abyss ahead, Hayek determined to form a society committed to persuading the intellectuals, and hence the masses and their political leaders, to change course. This society would bring together for mutual enlightenment and encouragement the leading figures of classical liberalism. Included would be Englishmen such as Lionel Robbins, John Jewkes, and Michael Polanyi; Austrian émigrés such as Ludwig von Mises, Fritz Machlup, Karl Popper, and of course Hayek himself; Americans such as Henry Hazlitt, Frank Knight, Milton Friedman, Aaron Director, and George Stigler; Germans such as Wilhelm Röpke and Walter Eucken; Frenchmen such as Maurice Allais and Bertrand de Jouvenel; and other Western Europeans.

In April 1947 the men named above and others — 39 persons in all, from 17 countries — met in Switzerland and formed the Mont Pèlerin Society. They adopted a Statement of Aims that briefly described

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> Over large stretches of the earth's surface the essential conditions of human dignity and freedom have already disappeared. In others they are under constant menace from the development of current tendencies of policy. The position of the individual and the voluntary group are progressively undermined by extensions of arbitrary power.

The statement avowed that "what is essentially an ideological movement must be met by intellectual argument and the reassertion of valid ideas" and identified six broad areas in which further study and debate would be worthwhile in combating the prevailing intellectual tendencies. The statement concluded,

> The group does not aspire to conduct propaganda. It seeks to establish no meticulous and hampering orthodoxy. It aligns itself with no particular party. Its object is solely, by facilitating the exchange of views among minds inspired by certain ideals and broad conceptions held in common, to contribute to the preservation and improvement of the free society.

Fifty years later it appears that, despite individual disagreements and rivalries, personality clashes, and administrative difficulties, the society has prospered and remained steadfast in adherence to its initial statement of aims. It has served essentially as an international club at whose meetings leading classical liberals can exchange and debate ideas in the comfort of a solidary environment.

Since its founding meeting in 1947, the society has held 30 general meetings and more than 20 regional meetings, most in Europe but some in the United States and others as far away as Hong Kong, Tokyo, Caracas, Sydney, and Rio de Janeiro. From the 37 original participants, membership has grown to more than 500, predominantly Europeans and Americans but now including many Asians and Latin Americans

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From 1948 to 1960, Hayek served as president. Subsequent presidents served shorter terms; by the late 1960s a two-year term had become the rule. Presidents have included such luminaries as Röpke, Jewkes, Friedman, Stigler, James Buchanan, Gary Becker, Max Hartwell, and Pascal Salin. Most members have been academics, overwhelmingly economists, including seven recipients of the Nobel Prize in Economic Science, but journalists, businesspeople, lawyers, government officials, and others also have belonged. Prominent men of affairs who have belonged include Luigi Einaudi, president of Italy, Ludwig Erhard, chancellor of West Germany, and Vaclav Klaus, prime minister of the Czech Republic.

Did the Mont Pèlerin Society succeed in turning the tide of statism in the West? Certainly the intellectual standing of classical-liberal ideas has risen, especially during the past 20 years. Socialism, Hayek's bête noire, has been more or less discredited, at least in its more blatant forms, excepting the sheltered enclaves of academia. Western policy makers now talk openly about privatization and deregulation and occasionally take corresponding action. In classical liberalism's darkest hour, the Mont Pèlerin Society sought, in Max Hartwell's apt military metaphor, to "save the flag" and "renew the attack."

Its influence was probably most significant during the dark age between its founding and the mid-1970s, when classical-liberal ideas came close to being suffocated by the dominance of collectivism among Western intellectuals. Hartwell, a longtime member of the society, its president from 1992 to 1994, and more recently its historian, concludes that "the Society was important in changing the political agenda, first, by sustaining liberal ideas when they were ignored and unpopular, and second, by circulating them widely and increasing their influence." Whether the members of the society would have been equally effective in the absence of the society is impossible to say, but no doubt the society helped them to allay despair and to retain their fighting spirit when the odds seemed heavily against their cause.

The information given here, as well as many details of the society's founding, activities, and membership, may be found in R. M. Hartwell's History of the Mont Pèlerin Society (Indianapolis: Liberty Fund, 1995), a judicious and nicely written 250-page account. (Passages quoted earlier appear on pp. 41–42, 203, and 215–216.) Readers who do not care to know all about the nuts and bolts of the society's administration (part 2) will find that parts 1 and 3 contain excellent analyses of the economic and political developments that prompted the society's formation and of the interplay between the society and the course of events during the past half century. Sixteen pages of photographs and an excellent index complement the volume.

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